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[REDACTED] NID 81 [REDACTED]

January 14, 1981

## SITUATION REPORTS

### POLAND

*The regime will be buoyed by Solidarity's muted response to the eviction of sit-in demonstrators in two southern Polish cities over the past several days.* [REDACTED]

A local chapter of Solidarity has called for two-hour warning strikes in selected local factories today to protest the government's action, but a spokesman at Solidarity's national headquarters in Gdansk said that no nationwide strike was planned and no regional Solidarity chapter could call such an action. [REDACTED]

The refusal of the national headquarters to become involved stems in part from the presence of union leader Walesa and several other high-ranking officials in Rome. Solidarity's national leadership previously has refrained from strike threats in support of the farmers, and it wants to avoid being dragged into confrontations generated by its regional organizations. [REDACTED]

The tougher [REDACTED] toward demonstrators by the regime in the past several days may partly be a response to allegedly strong warnings by Soviet President Brezhnev that the Poles must put their house in order. Brezhnev reportedly told Polish Foreign Minister Czyrek in late December that if the Polish regime does not gain control Moscow would be forced to act. [REDACTED]

The regime probably realized that it could act aggressively with a high probability of success against the isolated farmers' sit-in demonstration. It will presumably be much more hesitant, however, to accost Solidarity on issues that more directly affect workers' interests. [REDACTED]

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## Kulikov in Poland

The Soviet press has confirmed that Marshal Kulikov, Commander in Chief of Warsaw Pact forces, is in Poland. He met yesterday with First Secretary Kania, Prime Minister Pinkowski, and Defense Minister Jaruzelski. On his publicized visits to Eastern Europe, Kulikov is customarily received by the country's top leaders. That the meeting took place two days after his arrival seems to indicate that Kulikov was not delivering any specific new message from the Kremlin. [REDACTED]

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Alleged Cut in Defense Spending

According to press accounts, Polish Finance Minister Krzak recently said that Warsaw will decrease defense and police expenditures in 1981. Outlays will reportedly total 6.9 percent of the state budget, down 1 percentage point from last year's figure. Such statistics are open to serious question. Although a cut in defense spending would be in line with the regime's current policy of shifting resources to the consumer sector to placate the workers, it seems unlikely that the Poles would actually reduce such spending in the current unsettled atmosphere.

Moscow would interpret such an action as weakening Poland's role in the Warsaw Pact and its ability to use force internally. A reduction of spending for defense and security forces would also give the appearance that the regime is capitulating to one of the demands Solidarity made last November, something it would be loath to do.

The Kania regime, meanwhile, has decided to stop the production of aluminum in Krakow--the source of about one-half of the country's production--because of the pollution problems caused by the industry. According to a Polish newspaper, the decision would have been inconceivable before the Gdansk agreements. Poland evidently plans to import at least part of the aluminum sacrificed. If the Poles import the total amount of the production shortfall from the West, they would have to spend at least \$80 million in hard currency.